



Excelaron: Proposed Limitations on Pad 2

Sophie Tredner to: Tim McNulty (tmcnulty@co.slo.ca.us)
"C. 'Carol' M. Florence (cmf@oasisassoc.com)", "John McKenzie
Cc: (jdmckenzie@co.slo.ca.us)", "john.peirson@mrsenv.com",
"igiffen@co.slo.ca.us", Arthur, "elcarroll@co.slo.ca.us",

05/25/2012 04:27 PM

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Hi Tim,

I am writing to provide you with a written description of the “alternative” scenario Excelaron proposed at the May 15th Board of Supervisor’s hearing. At the hearing there were some references to a “revised project” or a “changed project description,” but I hope you will agree, from a legal perspective in light of the below clarifications, that what is being proposed is really just a voluntary mitigation measure or alternative configuration, designed to minimize the impacts at Pad 2, which fits under the scope of the project studied in the EIR.

What Excelaron is proposing is simply to limit the number of wells drilled at Pad2 as follows: one test well during Phase I and no more than two additional wells during Phase IV, with drilling at Pad 2 to occur only between the hours of 7 am – 9 pm Monday through Friday and 8am – 5pm weekends. These wells would be located on the south east portion of Pad 2 to further mitigate visual and noise impacts. The total number of project wells would still be capped at 12 overall, it is simply that of those 12 wells, no more than three could be drilled at Pad 2—one during Phase I and up to two more during Phase IV. The balance of the wells (up to 3 more during Phase I and up to 12 total) would have to be drilled at either Pad 1 or the Shipping Site, but with no restrictions on the drilling hours, since nighttime drilling at those pads was not found to create any violation of the Noise Ordinance.

The Project Description in the EIR describes full field development of up to 12 production wells and one water disposal well spread over three sites, in phases. (EIR at 2-1.) As described in the EIR, Phase I would consist of temporary testing equipment, 4 test wells and the water disposal well placed as follows: “Temporary facilities and up to four production wells would be located at Pad 2 and possibly the Shipping Site (see Figure 2-4). All of these initial wells would be vertically drilled wells. The first two test wells would be drilled at Pad 2. Depending on the results from these wells, the remaining two test wells could be drilled at either Pad 2 or the Shipping Site.” (FEIR at 2-13.) Section 2.3.2 on page 2-19 of the FEIR goes on to describe Phase I drilling in more detail, explaining that the first test well must be drilled at Pad 2, and the remaining test wells would be drilled either at Pad 2 or one or two at the Shipping Site. Excelaron’s May 15th proposed restriction would still call for the first test well to be drilled at Pad 2 (as described on page 2-19), but would shift the remaining three wells to either Pad 1 or the Shipping Site. Even though the EIR discussed only temporary equipment and construction at Pad 2 and the Shipping Site during Phase I, because Pad 1 is located between the Shipping Site and Pad 2, allowing for a test well or two to be drilled at Pad 1 instead would not significantly change any of the Phase I construction activities assessed in the EIR. Traffic trips, etc., would remain the same.

Phase IV (full field development) is described in the EIR as a maximum of 12 wells spread over the three sites in a number of potential combinations. “Up to eight additional wells would be drilled until full development of up to 12 production wells would be completed over a 5-year period. The total number of wells that would be drilled at each site could vary depending on production from previous wells at each site and other new information about the reservoir. The Shipping Site could accommodate up to four production wells plus one produced water disposal well. Pad 2 could

accommodate up to eight production wells. Pad 1 could accommodate up to six production wells. Regardless, the total number of production [sic] would not exceed 12 for the three locations combined. The size of the initially installed transport pipe from pads to the Shipping Site would be sized to accommodate any of the described combinations of future wells at each pad site.” (FEIR at 2-33 to 2-34.) Excelaron’s May 15th proposed restriction on Pad 2 would not alter this description of Phase IV, except to provide that Pad 2 would be limited to 3 production wells, and the remaining 9 would have to occur at one of the other pads. With the EIR stating that the Shipping Site could accommodate up to 4 of those wells and Pad 1 could accommodate up to 6 wells, that means that all of the potential combinations for the remaining 9 production wells would fit within the scenarios anticipated in the EIR.

I hope that these clarifications will be sufficient to allow Staff to proceed with the research requested by the Supervisors, but please let me know if you need more information. Per Supervisor Teixeira’s request, I will be communicating the specifics of Excelaron’s voluntary Pad 2 restriction to Mr. Naficy once we are sure that all of Staff’s questions and concerns have been resolved.

Finally, although I am sure that most of the people included on this email are clear (being the land use professionals that they are), I want to reiterate a few other points for the benefit of those who may have been confused at the May 15th hearing: This is still most accurately described as a 12 well maximum project, not a 1,000 bpd (barrels per day) project. 1,000 bpd was simply a reasonable outside cap to place on production to ensure that truck traffic would never increase beyond a certain level, thereby providing a certain number of max truck trips that could be studied in the EIR. But the project is first and always capped at 12 wells—in other words, Excelaron may not drill more than 12 wells to get up to 1,000 bpd if the first 12 wells don’t produce that. The underlying data and assumptions behind the 1,000 bpd cap are provided on pages 2-6 to 2-10 of the FEIR. At the hearing, Mr. Skinner of Huasna Valley Foundation appeared most confused on these issues, so perhaps Staff could clarify these points for him, as I doubt Mr. Skinner is inclined to take Excelaron’s word for it.

I’ll be in touch with you again in the coming weeks to discuss a few of the legal aspects of some of the follow-up questions posed by the Supervisors, but in the meantime, please let me know if you have any questions about the above. The Excelaron team is also working on preparing answers for the Supervisors and look forward working collaboratively with Staff to ensure that the decision-makers have all the information they need. We very much appreciate your continued efforts on this project, as well as those of Planning Staff.

Sophie Treder
TREDER LAND LAW
22985 El Camino Real
Santa Margarita, CA 93453
805.438.5435 office
www.trederlandlaw.com

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